GOVERNMENT OF INDIA
SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA

UNSTARRED QUESTION NO:491
ANSWERED ON:27.04.2016
Start-up India Campaign
Tharoor Dr. Shashi

Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

(a) whether the Government is aware that an inadequate sum has been allocated towards the Start-up India campaign, in the budget for financial year 2016-17;

(b) if so, the details thereof and the manner in which the Government proposes measures for creating the Start-up corpus of INR 10,000 crore, which has to provide financial assistance to young entrepreneurs and boost India"s start-up eco-system;

(c) whether the Ministry has sought assistance from private companies to contribute to the start-up corpus;

(d) if so, the details thereof, including private companies that have agreed to contribute to this corpus; and

(e) if not, the reasons therefor?

Answer

(a) to (e) In order to provide funding support to Start-Ups, Government would set up a fund with an initial corpus of Rs. 2500 crore and a total corpus of Rs.10,000 crore over a period of 4 years (i.e. Rs.2500 crore per year). The fund will be in the nature of Fund of Funds, which means that it will not invest directly into Start-ups, but shall participate in the Capital of Securities and Exchange Board of India (SEBI) registered Venture Funds. The Fund of Funds shall be managed by a Board with private professionals drawn from industry bodies, academia, and successful start-ups. The Fund of Funds shall contribute to a maximum of 50% of the stated daughter fund size. In order to able to receive the contribution, the daughter fund should have already raised the balance 50% or more of the stated fund size as the case may be. The fund shall ensure support to a broad mix of sectors such as manufacturing, agriculture, health and education etc.

The modalities of Funds of Fund are being finalised by Small Industries Development Bank of India (SIDBI).